

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

In re:)
CITY LINE BEHAVIORAL)
HEALTHCARE, LLC,)
Debtor.)
Gary F. Seitz, as Chapter 7 Trustee of)
the Estate of City Line Behavioral)
Healthcare, LLC,)
Plaintiff,)
v.)
New Jersey Motor Vehicle Commission,)
Defendant.)

**COMPLAINT OF GARY F. SEITZ, CHAPTER 7 TRUSTEE, FOR TURNOVER OF
PROPERTY OF THE ESTATE AND OTHER RELIEF**

Gary F. Seitz, solely in his capacity as Chapter 7 Trustee (the “Chapter 7 Trustee”) to the estate of City Line Behavioral Healthcare, LLC, the above-captioned Debtor (the “Debtor”), by and through his undersigned counsel, Gellert Scali Busenkell & Brown, LLC (“GSBB”) asserts claims against New Jersey Motor Vehicle Commission (the “Defendant”) under the United States Bankruptcy Code 11 U.S.C. §§ 541, 542 and 362, and in support thereof avers as follows:

PARTIES

1. The plaintiff, Gary F. Seitz (“Plaintiff” or “Trustee”), was duly appointed by order of this court to act as trustee in the Debtor’s chapter 7 case on April 17, 2019 and has been qualified to so act at all times since that date.
2. Upon information and belief, Defendant is a governmental agency of the United

States, state of New Jersey - the equivalent of the department of motor vehicles in other states – and is responsible for titling, registering and inspecting automobiles, and issuing driver's licenses.

3. City Line Behavioral Healthcare, LLC – the Debtor – is a limited liability company with a business address located at 1035 Virginia Drive, Suite 130, Fort Washington, PA 19034.

4. Upon information and belief, the Debtor has traded and/or conducted business under the fictitious name of City Line Behavioral Health, LLC (“City Line”).

5. City Line has offices located at 17 W. Knight Avenue, Collingswood, NJ 08108.

JURISDICTION AND VENUE

6. The Court has jurisdiction over this adversary proceeding pursuant to 28 U.S.C. 1334(b).

7. This is a “core proceeding” under 28 U.S.C. § 157(b)(2)(A), (E) and (O).

8. The statutory predicates for relief requested are 11 U.S.C. §§ 541, 542 and 362.

9. Venue is proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409(a).

BACKGROUND

10. On April 17, 2019 (the “Petition Date”), the Debtor filed a voluntary petition under Chapter 7 of the Bankruptcy Code.

11. On April 17, 2019, Gary F. Seitz was appointed the Chapter 7 Trustee by the United States Trustee.

12. The commencement of this case under 11 U.S.C. § 301 created an estate pursuant to 11 U.S.C. §541 (a).

13. The property of the estate consists of “all legal and equitable interests of the Debtor in property as of the commencement of the case.” 11 U.S.C. § 541(a)(1).

14. The commencement of this case triggered an automatic stay, pursuant to 11 U.S.C. §

362(a) with respect to all property of the Debtor.

15. In chapter 7, the Trustee is responsible for collecting all property of the estate for distribution to creditors.

16. Through his review of the Debtor's books and records, the Trustee determined that the Debtor has an interest in the following vehicles (the "Vehicles"):

- a. 2014 Ford Econoline (VIN xxxxxxxxxxxxxxxx4783) – titled in the name of City Line Behavioral Health, LLC
- b. 2014 Ford Econoline (VIN xxxxxxxxxxxxxxxx3672) – titled in the name of City Line Behavioral Health, LLC
- c. 2017 Ford Escape (VIN xxxxxxxxxxxxxxx9515) – titled in the name of City Line Behavioral Health, LLC

17. In order for the Trustee to administer the Vehicles, the Trustee requested from Defendant substitute titles for the Vehicles (the "Titles").

18. At all relevant times, Defendant has been the custodian of and in possession of the Titles.

19. The Titles at all times material hereto remained property of the bankruptcy estate of Debtor.

20. The Trustee has made numerous demands to Defendant that all Titles be immediately turned over to the Trustee.

21. To date, Defendant has failed to provide any response to the Trustee or turn over any of the Titles.

COUNT I – TURNOVER OF PROPERTY OF ESTATE PURSUANT TO 11 U.S.C. §542

22. The Trustee incorporates the allegations set forth in the preceding paragraphs as if

fully set forth herein.

23. The Titles constitute property of the estate subject to turnover pursuant to 11 U.S.C. §542.

24. Despite written demand for the turnover of the Titles, Defendant has failed to or has refused to turnover same.

WHEREFORE, the Plaintiff prays that judgment be entered as follows:

- a. for the Plaintiff and against the Defendant for turnover of the Titles; and
- b. for such other and further relief as this Court deems appropriate.

COUNT II – VIOLATION OF AUTOMATIC STAY PURSUANT TO 11 U.S.C. §362(k)

25. The Trustee incorporates the allegations set forth in the preceding paragraphs as if fully set forth herein.

26. Defendant's failure to turn over to the Trustee the Titles constitutes a violation of 11 U.S.C. §362(a)

27. Defendant's violation of the automatic stay is willful because notwithstanding its knowledge of the instant bankruptcy and appointment of Trustee pursuant to correspondence it has received, it has continued to exercise control over assets of the Debtor.

28. Defendant's violation of the automatic stay is willful because notwithstanding the Trustee's requests, it has continued to exercise control over assets of the Debtor.

29. Pursuant to 11 U.S.C. §362(k), Plaintiff is entitled to attorneys' fees and punitive damages.

WHEREFORE, the Plaintiff prays that judgment be entered as follows:

- a. for the Plaintiff and against the Defendant for attorneys' fees pursuant to 11 U.S.C. §362(k); and

- b. for the Plaintiff and against the Defendant for punitive damages pursuant to 11 U.S.C. §362(k); and
- c. for such other and further relief as this Court deems appropriate.

Dated: December 23, 2020

GELLERT SCALI BUSENKELL & BROWN LLC

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